

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
ENVIRONMENTAL REVIEW PROCESS**

STEP I: PRE-ENVIRONMENTAL REVIEW.

- A. Sponsor should obtain and familiarize themselves with the following documents which are available from MSHDA's web site:
1. List of MSHDA prequalified consultants.
 2. MSHDA Environmental Review Requirements for 2013.
 3. Set Back for High Pressure Gas Transmission Lines.
 4. Michigan Department of Environmental Quality (MDEQ) document entitled "Working with an Environmental Consultant."
 5. MDEQ document entitled "IMPORTANT NOTICE for Baseline Environmental Assessments (BEAs)"
 6. When applicable; HUD's Chapter 9 Environmental Review Process.
 7. NEPA Report Requirements and Sample Report.
 8. CDBG Guidebook the "Green" guidebook
 9. HUD Assessment Tools for Environmental Compliance (ATEC)
<http://www.hud.gov/offices/cpd/environment/atec.cfm>

**STEP IIA: MSHDA PHASE I ENVIRONMENTAL SITE ASSESSMENT REPORT
REQUIRED FOR INTAKE AND/OR TAX CREDIT APPLICATIONS.**

SPONSOR

Retains environmental consultant to perform AAI Phase I report meeting MSHDA Environmental Review requirements and submits report to MSHDA.

MSHDA

MSHDA Phase I review.

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If deficiencies in Phase I ESA are identified, written comments and follow-up provided to Sponsor.

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If Recognized Environmental Conditions (RECs) identified, a Phase II is requested of the Sponsor. Proceed to Step III.

If no RECs identified and no written report issued for follow up, approval given. **Phase I Process Completed.** *Estimated MSHDA review time frame: 15 business days.*

STEP IIB: NEPA REPORT REQUIRED FOR INTAKE AND OR TAX CREDIT APPLICATIONS REQUESTING ANY SOURCE(S) OF FEDERAL FUNDS SUCH AS HOME, SECTION 8, NSP or CDBG.

SPONSOR

Retains environmental consultant to prepare NEPA documentation per HUD requirements.

Sponsor's Consultant corrects report and resubmits if necessary.

MSHDA

Review NEPA report for accuracy. If NEPA is not complete, then MSHDA to provide written comments to have the report corrected and resubmitted. *Estimated MSHDA review time frame: 15 business days.*

Review NEPA and issue appropriate finding, and begin publishing process. Upon completion of public notice period, MSHDA to request HUD approval. **NEPA process completed.** *(Estimated turnaround is 45 days, if no public comment is received.)*

STEP III: IF RECs ARE IDENTIFIED IN THE PHASE I REPORT, A PHASE II REPORT IS REQUIRED.

SPONSOR

Sponsor's Consultant prepares a Scope of Work (SOW) to investigate identified RECs.

MSHDA

> A written Phase II SOW provided to MSHDA for review.

Written approval given or if issues are raised, written comments will be provided and discussed with Sponsor in an attempt to resolve the differences. *Estimated MSHDA review time frame: 10 business days.*

[In the event issues are not resolved to the satisfaction of either the Sponsor and/or MSHDA, the matter will be referred to the MSHDA Review Team.¹]

Sponsor's Consultant conducts Phase II work.

< When approval given, Sponsor proceeds with Phase II work.

If Phase II work shows that site is not a "Facility," Sponsor provides final Phase II report to MSHDA.

> MSHDA reviews and files Phase II report and issues approvals. **Phase II process completed.**

If site is shown to be a "Facility," proceed to Step IV.

If site requires further Phase II investigation work, proceed to Step IIIA.

¹ MSHDA Review Team comprised of three members: MSHDA environmental attorney, MSHDA's Executive Director or his appointed designee as Certifying Officer for the use of federal funds, and the MSHDA Director for Community Development. The Review Team's responsibilities are to include: making recommendations to the Loan Committee on whether to approve/reject a project based on the environmental issues that need to be addressed, approving all environmental guidance documents, approving the MSHDA prequalified consultant list and making recommendations to the MSHDA Board of Directors and MSHDA Loan Committee as necessary for policy decisions, and signing for the release of federal funds. The Review Team will meet as needed.

STEP IIIA: IF ADDITIONAL PHASE II WORK IS NEEDED (TO RESOLVE REC'S or DEFINE EXTENT OF CONTAMINATION) OR ADDITIONAL REMEDIAL ACTIVITY IS REQUIRED, SUBMIT SOW/WORK PLAN.

SPONSOR

MSHDA

**MSHDA PEER REVIEW
CONSULTANT**

Sponsor's Consultant prepares a SOW and Work Plan for review.

Selects appropriate peer review consultant for project per RFP process submitted to pre-qualified MSHDA Consultants.

Peer Review Consultant reviews SOW and Work Plan and provides written comments. *Estimated Peer Review time frame: 10 business days.*

Consultant receives written comments and modifies proposal.

Facilitates the report submissions by setting deadlines for reviews and ensuring the consultants complete the work as requested.

If modifications needed, submit written comments to Consultant to change.

Submits final SOW/Work Plan to MSHDA.

Final SOW and Work Plan provided to MSHDA. Three Member Review Team to decide whether to proceed with project or not or to modify plan. Team provides written decision to Loan Committee.

If additional work is approved, proceed to Step IIIB.

STEP IIIB: SPONSOR COMPLETES ADDITIONAL PHASE II WORK OR REMEDIAL ACTIVITY IF REQUIRED.

SPONSOR

MSHDA

**MSHDA PEER REVIEW
CONSULTANT**

Sponsor's Consultant completes additional Phase II//Remedial Work. Reports results to Peer Review Consultant. Report includes all estimated remedial costs, if necessary.

Facilitates the report submissions by setting deadlines for reviews and ensuring the consultants complete the work as requested.

Peer Review Consultant reviews report and provides written comments. *Estimated review time frame: 10 business days. (Peer Review Consultant to promptly identify if 10 business days is sufficient or if more time is needed to complete Peer Review.)*

If additional work needed, go back to Step IIIA using same peer review consultant. If no additional work needed, proceed to finalizing report.

Sponsor's Consultant submits final report.

Final report (including estimated remedial costs and Operation & Maintenance (O&M)) to MSHDA Review Team. Project update to the Loan Committee.

Review reports and provide written comments. If modifications needed, submit to Consultant to change.

If approvals provided by Loan Committee, proceed to Step IV.

Loan Committee to decide whether to continue to fund project/modifications needed and provide written report of recommendations.

STEP IV: IF THE SITE IS A “FACILITY,” THE SPONSOR’S CONSULTANT PREPARES AND SUBMITS BASELINE ENVIRONMENTAL SITE ASSESSMENT (BEA) AND DUE CARE COMPLIANCE ANALYSIS TO MDEQ FOR “RESPONSE ACTIVITY PLAN” REVIEW. MDEQ APPROVAL OF THE DUE CARE PLAN MUST BE OBTAINED PRIOR TO INITIAL CLOSING AND/OR THE ISSUANCE OF THE TAX CREDIT RESERVATION LETTER.

SPONSOR

Sponsor’s Consultant prepares and discloses BEA to MDEQ.

Due Care Plan or Remediation Plan to be submitted to MDEQ for Response Activity Plan review. Environmental Consultant to coordinate activities in a timely manner to minimize delays.

Sponsor to provide MDEQ Due Care Plan approval letter. Sponsor obtains bid(s) for Due Care response activities and revised Trade Payment Breakdown (TPB) line item to show environmental cost.

MSHDA

> The BEA and Due Care or Remediation Plan with required MDEQ submittal forms are submitted by the Sponsor. MSHDA records receipt of documents for tracking purposes. A Due Care Plan is not required if a remedial action is planned to eliminate facility status. If the sponsor chooses to clean up the site, they will submit a Remediation Plan to MDEQ for review.

If federal funding is involved, the Due Care plan will need to meet federal standards which in some cases are stricter than MDEQ requirements.

> Sponsor submits a copy of MDEQ’s plan review approval letter and a copy of bids for the environmental work required for Due Care or Remediation.

Once Due Care and/or Remediation Activities are complete, proceed to Step V.

STEP V: UPON COMPLETION OF APPROVED DUE CARE PLAN OR REMEDIAL ACTION PLAN ACTIVITIES, THE SPONSOR'S CONSULTANT PREPARES AND SUBMITS "A NO FURTHER ACTION REPORT" TO MDEQ. MDEQ'S "NO FURTHER ACTION" (NFA) LETTER IS REQUIRED PRIOR TO FINAL CLOSING AND/OR THE ISSUANCE OF THE TAX CREDIT (8609).

SPONSOR

Sponsor prepares and submits a "No Further Action Report" to MDEQ for the purpose of obtaining a No Further Action (NFA) Letter showing that Due Care response activities or remedial actions are in place and have been completed. >

MSHDA

MSHDA receives and records MDEQ's No Further Action (NFA) letter and updates NEPA documentation in the project folder.
Environmental review process completed.

If NFA letter can not be obtained, Sponsor proceeds to MSHDA Review Team to determine next steps, if any.

MSHDA REVIEW TEAM REVIEW PROCESS

SPONSOR

Sponsor's Consultant prepares a summary review of the problem(s) and proposed scope of work (SOW) to address the issue(s). >

MSHDA

Selects appropriate peer review consultant for project review per RFP process. MSHDA to obtain a minimum of three bids from the qualified consultant's list. >

MSHDA PEER REVIEW CONSULTANT

Peer Review Consultant reviews project summary and proposed scope of work.

MSHDA environmental review staff also prepares a summary review and submits report to MSHDA Review Team. *Estimated report time: 15 business days.*

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MSHDA Review Team reviews submitted documentation and provides a written determination. MSHDA Review Team may seek additional information from other professional and technical resources as needed. <

Peer Review Consultant provides written recommendations to MSHDA Review Team. *Estimated Peer Review time frame: 15 business days.*

Consultant receives written comments, modifies proposal, and undertakes additional investigation if requested. <

Distributes report from MSHDA Review Team and facilitates committee recommendations by setting deadlines for reviews and review additional Phase II documentation for the additional work if it was requested by the MSHDA Review Team. >

If modifications needed, Peer Review Consultant submits written comments and recommendations to Sponsor's Consultant. >

If required, environmental consultant submits results of additional investigation >

MSHDA Review Team to review documentation and provide written decision to Loan Committee.

Michigan State Housing Development Authority Environmental Review Process - 3/15/2011

